



Annual Re-Assessment of the Sustainability Quality of the Green Bond Programme of Berlin Hyp AG

27 April 2018

Aim and Scope of this Second Party Opinion

In 2016, Berlin Hyp AG commissioned oekom research¹ to assist with assessing and confirming the sustainable added value of an asset selection to be (re-)financed by Green Bonds via Berlin Hyp's Green Bond Programme (Green Pfandbriefe and Green Seniors). The assessment is conducted using the criteria and indicators of the oekom Green Bond KPIs².

Additionally, Berlin Hyp AG commissioned oekom research to carry out an annual re-assessment in order to provide investors with assurance that the asset selection still complies with the eligibility criteria and that new projects are selected accordingly.

oekom research's mandate included the following services:

- Re-assessment of compliance of the financed projects with the oekom Green Bond KPIs.
- Assessment of compliance of newly added projects with the oekom Green Bond KPIs.
- Annual review and classification of Berlin Hyp AG's sustainability performance on the basis of the oekom Corporate Rating.

Overall Re-Evaluation of the Green Bond Programme

oekom's overall evaluation of the Green Bond Programme of Berlin Hyp AG remains positive:

- The overall sustainability quality of the selected assets for the bond issuances in terms of sustainability benefits and risk avoidance and minimisation is good (Part II of this Verification).³
- The issuer itself shows a very good sustainability performance (Part III of this Verification).

Regarding the sustainability quality of the selected assets, oekom research would like to emphasize certain aspects. Berlin Hyp continuously adapts and improves its Green Bond Framework and its Reporting. For example, the energy efficiency requirements have been updated recently and are now more detailed.

1 On March 15, 2018, oekom research joined Institutional Shareholder Services Inc. ("ISS"). oekom research will be renamed ISS-oekom.

2 In the initial Second Party Opinion, the oekom Green Bond KPI was referred to as "Green Bond Verification Framework".

3 The sustainability performance of the bonds issued may differ from this assessment depending on the assets selected for inclusion in the bonds.

There are some aspects for which more specific selection or performance criteria would be recommended as it could still add to the overall quality - and illustrate the ambition - of the Green Bond Programme: It would be beneficial to complement the existing requirements with other sustainability criteria, for example regarding construction practices or water efficiency in buildings.

Annual CO₂ Avoidance of the buildings in the Asset Pool

Berlin Hyp established two baselines in order to compare the buildings to existing standards: The first baseline is the average energy performance of European buildings, the second one the German Energy Savings Ordinance (EnEV). Further, Berlin Hyp chose to provide investors with the carbon avoidance that is linked to Berlin Hyp's initial financing share of the respective buildings as well as with the complete carbon avoidance, i.e. the avoidance caused by the complete buildings. More details on the methodology regarding CO₂ avoidance can be found in the initial Second Party Opinion from 2016.

The respective carbon intensity is based on each country's energy mix in 2014. The calculations on energy and CO₂ data were carried out by Berlin Hyp, oekom research carried out a basic plausibility check. More information on the calculations is provided by Berlin Hyp at www.green-pfandbrief.com.

The following table shows the results of estimations and calculations on the CO₂ performance of the buildings within the asset pool for the Green Bond Programme (excluding buildings that were in the cover pool at issuance of the Green Pfandbrief in 2015).

Annual CO ₂ avoidance of the buildings in the asset pool		
Baseline for CO ₂ avoidance	Proportional allocation to Berlin Hyp initial financing share	Complete allocation to Berlin Hyp financing
European average	21.1 t/mEUR	36.3 t/mEUR
German Energy Saving Ordinance (EnEV)	8.7 t/mEUR	15.7 t/mEUR

Part I – Green Bond Principles

1) Use of Proceeds

The proceeds of the Green Bonds (Green Pfandbriefe as well as Green Seniors) to be issued by Berlin Hyp will be exclusively used for financing and refinancing the acquisition, construction or refurbishment of Green Buildings. These Green Buildings serve as collateral for loans granted by or to be granted by Berlin Hyp. If they are used for Green Pfandbriefe the loans have to be eligible for and included in or to be included in the bank's mortgage cover pool.

Details regarding the building projects included in the Green Finance Portfolio can be found in Annex 3.

2) Process for Project Evaluation and Selection

Berlin Hyp has set up a process for project selection and evaluation, which is subject to continuous reviews and updates. Details on the process can be found in the initial Second Party Opinion from 2016.

For buildings to qualify as Green Buildings – as defined by Berlin Hyp – they have to meet certain requirements, which were updated in April 2018.

- Berlin Hyp has defined thresholds for each the annual energy consumption for heating and electricity. The total energy demand shall not exceed set limits:

Property type	Energy demand Heating kWh/(m ² *a)	Energy demand Electricity kWh/(m ² *a)	Energy demand Total kWh/(m ² *a)
Residential	60	-	60
Office	100	80	180
Retail	60	75	135
Hotels	95	60	155
Logistics buildings	30	35	65

and/or

- External sustainability certificates must fulfil a minimum level⁴
LEED Gold or above

⁴ Buildings financed by Berlin Hyp after issuance of its inaugural Green Pfandbrief on 27 April 2015 have to score at least 50 per cent in the energy efficiency component of the green building certificate if the building does not qualify already by its energy demand or consumption as defined above.

BREEAM	Very Good or above
DGNB	Gold or above (for certificates given after 30.06.2015: Silver or above)
HQE	High Level or above

and

- Eligible assets will also meet other environmental and/or social criteria. They are not used for the production of arms, pesticides, tobacco, pornography, nuclear power, coal, oil and fossil fuels.

3) Management of Proceeds

Details regarding the Management of Proceeds can be found in the initial Second Party Opinion from 2016.

4) Reported Proceeds and Impacts 2018

Use of proceeds reporting:

Berlin Hyp established a separate website which is exclusively used for providing information on its green bonds, its Green Pfandbriefe and its Green Senior.⁵ Berlin Hyp will report online on its Green Bond Programme at www.green-pfandbrief.com on 27.04.2018. The information to be reported on can be found in the initial Second Party Opinion from 2016.

Furthermore, the "Use of Proceeds" table above reports on the current composition of the asset pool, including key information on the buildings (e.g. property type, green buildings certificates). Part II of this re-assessment provides information on the sustainability performance of all loans/buildings included in the asset pool.

Impact reporting:

Berlin Hyp will provide impact reporting on CO₂ avoidance. This impact reporting will also be published on the green bond website on 27.04.2018.⁴ Additionally, the annual CO₂ avoidance of the buildings within the asset pool can be found at the very beginning of this document (cf. p.2).

Berlin Hyp has already reported on its green bonds issued so far. This reporting can be found on its green bond website.⁶ Reports will remain available for investors for future reference.

⁵ The German and English version of this website are respectively www.gruener-pfandbrief.de and www.green-pfandbrief.com.

⁶ The German and English version of this website are respectively www.gruener-pfandbrief.de and www.green-pfandbrief.com.

Part II – Sustainability Quality of the Eligible Green Project Portfolio

1) oekom Green Bond KPIs

Details on the individual criteria and indicators for the categories can be found in Annex 1 „oekom Green Bond KPIs“, as well as in the initial Second Party Opinion.

2) Evaluation of the Projects within the Green Bond Asset Selection

Method

oekom research reassessed the compliance of the (re-)financed projects with the oekom Green Bond KPIs.

The re-evaluation was carried out using information and documents provided to oekom research by Berlin Hyp (e.g. green building certificates, energy performance certificates). Further national legislation and standards, depending on the project location, were drawn on to complement the information provided by Berlin Hyp.

Committed limits were used to calculate the share of projects which fulfil an indicator requirement.

Findings

Green buildings (commercial real estate)

- 1. Involvement of local residents at the planning stage (only applicable for new builds)
 - Regarding the newly constructed buildings in the asset pool, no information is available on the involvement of local residents at the planning stage.
- 2. Environmental standards for site selection (only applicable for new builds)
 - ✓ 100% of newly constructed buildings are inside metropolitan areas. Therefore, no environmental impact assessment is deemed necessary.
 - For none of the newly constructed buildings, information is available regarding the development on brownfield sites.
- 3. Access to public transport
 - ✓ 69 out of 70 building projects, accounting for 99.97% of the asset pool's volume, are located within a maximum of 1 km from one or more modalities of public transport.
- 4. Social standards for construction
 - ✓ 100% of newly constructed or renovated building projects are located in countries where high labour standards are in place for both employees and contractors (i.e. regarding discrimination, working time, wages, freedom of association and collective bargaining).
 - ✓ For 100% of newly constructed or renovated building projects, high standards regarding health and safety for both own employees and contractors are in place (provided for by national legislation).
- 5. Environmental standards for construction
 - For 9 newly constructed or renovated building projects, accounting for 41% of the respective asset pool, measures to reduce water, waste and energy consumption and adequate management of waste streams at construction sites are in place. For the remaining 11

relevant building projects, accounting for 59% of the respective asset pool, no adequate measures are in place or no information is available.

- 6. Sustainable building materials
 - For 11 newly constructed or renovated building projects, accounting for 49% of the respective asset pool, sustainable procurement measures regarding building materials are in place (e.g. recycled materials, third-party certification of wood based materials). For the remaining 9 relevant building projects, accounting for 51% of the respective asset pool, no adequate measures are in place or no information is available.
- 7. Safety of building users
 - For 28 building projects, accounting for 36% of the asset pool, health and safety is ensured by constructional measures (e.g. fire safety, exit routes, CCTV). For 42 projects, accounting for 64% of the asset pool, either no detailed information on safety is available or no adequate measures are in place.
- 8. Water use minimisation in buildings
 - For 32 building projects, accounting for 49% of the asset pool, adequate measures to reduce water use are in place (e.g. greywater recycling, efficient applications). For the remaining 38 projects, accounting for 51% of the asset pool, no adequate measures are in place or no information is available.
- 9. Energy efficiency in buildings
 - ✓ 70 building projects, accounting for 100% of the asset pool, achieved good scores in the relevant sections of the respective building certificates and/or energy certificates.
- 10. Labels / certificates
 - ✓ 32 building projects, accounting for 53% of the asset pool, achieved good scores in green building certificates, i.e. minimum BREEAM "Very Good", LEED "Gold" or DGNB "Silver". 38 projects, accounting for 47% of the asset pool did either not receive a green building certificate or did not achieve good scores in green building certificates.
- 11. Sustainable use / purpose of buildings
 - ✓ For 100% of building projects, production facilities of armaments, pesticides, tobacco and generation facilities for environmentally controversial energy forms such as nuclear power or fossil fuelled power are excluded by Berlin Hyp.

Controversy assessment

- A controversy assessment on the included projects did not reveal any controversial activities or practices that could be attributed to Berlin Hyp.

Part III – Assessment of Berlin Hyp’s Sustainability Performance

In the oekom Corporate Rating with a rating scale from A+ (excellent) to D- (poor), Berlin Hyp was awarded a score of B- and classified as “Prime”. Berlin Hyp’s rating result means that the company performed well in terms of sustainability, both compared against others in the industry and in terms of the industry-specific requirements defined by oekom research. In oekom research’s view, the securities issued by the company thus all meet the basic requirements for sustainable investments.



As at 27 April 2018 this rating puts Berlin Hyp in place 2 out of 53 companies rated by oekom research in the Financials/Mortgage & Public Sector Finance sector

In the Financials/Mortgage & Public Sector Finance sector, oekom research has identified the following issues as the key challenges facing companies in terms of sustainability management:

- Sustainability impacts of lending and other financial services and products
- Statutory ESG-standards linked to the geographical allocation of the lending portfolio
- Customer and product responsibility
- Employee relations and work environment

In all four key issues, BerlinHyp achieved a rating that was above the average for the sector. A very significant outperformance was achieved in „Sustainability impacts of lending and other financial services and products“.

In recent years, the company was not involved in any controversies in the areas of controversial business practices or controversial areas of business, and thus does not breach any of the exclusion criteria, which are frequently applied by investors.

Details on the rating of the issuer can be found in Annex 2 “oekom Corporate Rating of Berlin Hyp”.

Robert Haßler, CEO
oekom research AG
Munich, 27 April 2018

Disclaimer

1. oekom research AG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
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About oekom research

oekom research is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries with regard to their environmental and social performance. oekom research has extensive experience as a partner to institutional investors and financial service providers, identifying issuers of securities and bonds which are distinguished by their responsible management of social and environmental issues. More than 100 asset managers and asset owners routinely draw on the rating agency's research in their investment decision making. oekom research's analyses therefore currently influence the management of assets valued at over 600 billion euros.

As part of our Green Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria. We verify the compliance with the criteria in the selection of projects and draw up an independent second party opinion so that investors are as well informed as possible about the quality of the loan from a sustainability point of view.

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Annex

- Annex 1: oekom Green Bond KPIs
- Annex 2: oekom Corporate Rating of Berlin Hyp
- Annex 3: Overview of the assets in the Green Finance Portfolio

Annex 1: oekom Green Bond KPIs

oekom Green Bond KPIs

The oekom Green Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the Green Bond asset pool. It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the Eligible Green Project Portfolio can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the Green Bond and which can also be used for reporting.

Use of Proceeds

Mortgage loans for green buildings (commercial real estate)

The proceeds of the Green Bonds (Green Pfandbriefe as well as Green Seniors) to be issued by Berlin Hyp will be exclusively used for financing and refinancing Green Buildings.

Sustainability Criteria and Quantitative Indicators for Use of Proceeds

In order to ensure that the environmental and social risks linked to the underlying assets are prevented and the opportunities clearly fostered, a set of sustainability criteria has been established for the project category.

Mortgage loans for Green Buildings (commercial real estate)

1. Involvement of local residents at the planning stage (only applicable for new builds)

- Percentage of loans allocated to building projects for which residents are involved at the planning stage (e.g. information of residents, dialogue platforms).

2. Environmental standards for site selection (only applicable for new builds)

- Percentage of loans allocated to large-scale building projects (> 5.000 m²) outside metropolitan areas for which an environmental impact assessment is carried out.
- Percentage of loans allocated to building projects that are developed on brownfield sites.

3. Access to public transport

- Percentage of loans allocated to building projects that are located within a maximum of 1 km from one or more modalities of public transport.

4. Social standards for construction

- Percentage of loans allocated to building projects with high labour and health and safety standards for construction work conducted by own employees and contractors (e.g. ILO core conventions).

5. Environmental standards for construction

- Percentage of loans allocated to building projects for which resource efficiency (e.g. water, energy) and adequate management of waste is guaranteed by the implementing construction companies.

6. Sustainable building materials

- Percentage of loans allocated to building projects for which sustainable procurement measures regarding building materials are in place (e.g. recycled materials, third-party certification of wood based materials).

7. Safety of building users

- Percentage of loans allocated to building projects for which operational safety is ensured by constructional measures (e.g. fire safety, elevator safety).

8. Water use minimisation in buildings

- Percentage of loans allocated to building projects for which measures to reduce water use are in place (e.g. water metering, high-efficiency fixtures and fittings, rainwater harvesting).

9. Energy efficiency of buildings

- Percentage of loans allocated to building projects that received good scores in the energy efficiency ratings of the respective buildings certificates (BREEAM, LEED) or that are proven to be part of the top 15% of the local market in terms of energy efficiency.

10. Labels / Certificates

- Percentage of loans allocated to building projects that obtained a BREEAM "Very Good", DGNB „Silver / Gold"⁷, LEED "Gold" certificate or HQE „excellent" or better certification.

11. Sustainable use / purpose of buildings

- Percentage of building projects for which production facilities of armaments, pesticides, tobacco and generation facilities for environmentally controversial energy forms such as nuclear power or fossil fuelled power can be excluded.

Controversies

- Description of controversial projects (e.g. due to labour rights violations, environmental accidents, adverse biodiversity impacts).

Possible impact indicators: Energy consumption and avoidance of CO₂ emissions

- Average primary energy consumption (in kWh/m²).
- Annual CO₂ emissions (in kg/m²) compared to the local average.

⁷ With effect from 1 July 2015, DGNB updated its certification scheme, now ranging from "Bronze" to "Platinum": The "Bronze" certificate will be replaced by "Silver", "Silver" by "Gold" and "Gold" by "Platinum" for new certifications with immediate effect. "Bronze" will only be used for existing buildings in the future. The evaluation system and the assessment methodology remain unchanged.

Annex 3: Overview of the assets in the Green Finance Portfolio

No	Country	Type of building	Type of project	Green building certification	Energy label available	Construction/last renovation	Loan (nominal amounts as of 27.04.2018 in mEUR)	Share of asset pool
1	BE	Office / Retail	Refurbishment & Financing		YES	1974 (2016)	115.0	3.89%
2	DE	Office / Retail	Financing	LEED Gold	NO	2012	19.1	0.64%
3	DE	Management Building	Financing	DGNB Silber	YES	2012	17.5	0.59%
4	DE	Office / Retail	Refurbishment & Financing		YES	1964 (2014)	10.6	0.36%
5	DE	Office / Retail	Same building as no. 4		YES		12.1	0.41%
6	DE	Residential	Financing		YES	2011	8.8	0.30%
7	DE	Residential	Same building as no. 6		YES		1.7	0.06%
8	DE	Office / Retail	Financing		YES	2003	57.6	1.95%
9	DE	Office / Retail	Financing	DGNB Platin	YES	2015	40.4	1.37%
10	DE	Office / Retail	Financing		YES	1994	65.6	2.22%
11	DE	Residential	Financing	DGNB Gold	NO	2013	11.1	0.38%
12	DE	Management Building	Financing	DGNB Gold	YES	2013	7.5	0.25%
13	DE	Office / Retail	Financing	DGNB Gold	YES	2014	7.5	0.25%
14	DE	Office / Retail	Financing	DGNB Platin	YES	2014	122.5	4.14%
15	DE	Residential	Financing		YES	2014	15.0	0.51%
16	DE	Office / Retail	Financing		YES	1972 (2001)	80.0	2.70%
17	DE	Office / Retail	Financing	DGNB Gold	YES	2015	25.4	0.86%
18	DE	Office / Retail	Same building as no. 17	DGNB Gold	YES		2.7	0.09%
19	DE	Office / Retail	Same building as no. 18	DGNB Gold	YES		0.3	0.01%
20	DE	Office / Retail	Financing		YES	2014	15.3	0.52%

21	DE	Management Building	Financing	DGNB Platin	YES	2014	5.9	0.20%
22	DE	Management Building	Same building as no. 21	DGNB Platin	YES		18.5	0.62%
23	DE	Management Building	Same building as no. 21	DGNB Platin	YES		11.8	0.40%
24	DE	Office / Retail	Financing		YES	1988	8.9	0.30%
25	DE	Office / Retail	Same building as no. 24		YES		0.9	0.03%
26	DE	Office / Retail	Same building as no. 24		YES		6.4	0.22%
27	DE	Office / Retail	Same building as no. 24		YES		0.6	0.02%
28	DE	Office / Retail	Same building as no. 24		YES		7.3	0.25%
29	DE	Office / Retail	Same building as no. 24		YES		0.7	0.02%
30	DE	Office / Retail	Same building as no. 24		YES		2.0	0.07%
31	DE	Office / Retail	Same building as no. 24		YES		0.2	0.01%
32	DE	Office / Retail	Same building as no. 24		YES		1.5	0.05%
33	DE	Office / Retail	Same building as no. 24		YES		0.2	0.01%
34	DE	Office / Retail	Financing		YES	1992	3.3	0.11%
35	DE	Office / Retail	Financing		YES	1998	2.1	0.07%
36	DE	Office / Retail	Financing		YES	2001	1.9	0.06%
37	DE	Office / Retail	Same building as no. 36		YES		3.5	0.12%
38	DE	Office / Retail	Same building as no. 35		YES		3.9	0.13%
39	DE	Office / Retail	Same building as no. 36		YES		1.6	0.06%
40	DE	Office / Retail	Same building as no. 35		YES		1.8	0.06%
41	DE	Office / Retail	Same building as no. 35		YES		1.9	0.06%
42	DE	Office / Retail	Same building as no. 36		YES		1.7	0.06%
43	DE	Office / Retail	Financing		YES	1997	30.0	1.01%
44	DE	Office / Retail	Development	DGNB Gold	NO	2022	17.5	0.59%
45	DE	Office / Retail	Same building as no. 44	DGNB Gold	NO		5.3	0.18%
46	DE	Office / Retail	Same building as no. 44	DGNB Gold	NO		9.8	0.33%
47	DE	Office / Retail	Same building as no. 44	DGNB Gold	NO		3.0	0.10%
48	DE	Office / Retail	Same building as no. 44	DGNB Gold	NO		0.9	0.03%
49	DE	Office / Retail	Same building as no. 44	DGNB Gold	NO		1.7	0.06%
50	DE	Office / Retail	Financing	LEED Platinum	YES	2014	50.0	1.69%
51	DE	Office / Retail	Same building as no. 50	LEED Platinum	YES		35.0	1.18%
52	DE	Office / Retail	Same building as no. 50	LEED Platinum	YES		3.0	0.10%

53	DE	Office / Retail	Same building as no. 50	LEED Platinum	YES		4.5	0.15%
54	DE	Office / Retail	Same building as no. 50	LEED Platinum	YES		2.3	0.08%
55	DE	Office / Retail	Same building as no. 50	LEED Platinum	YES		3.4	0.11%
56	DE	Office / Retail	Same building as no. 50	LEED Platinum	YES		0.4	0.01%
57	DE	Office / Retail	Same building as no. 50	LEED Platinum	YES		1.3	0.04%
58	DE	Office / Retail	Financing		YES	2013	5.5	0.18%
59	DE	Office / Retail	Financing	LEED Gold	YES	2003	20.6	0.70%
60	DE	Office / Retail	Same building as no. 59	LEED Gold	YES		82.9	2.80%
61	DE	Office / Retail	Same building as no. 59	LEED Gold	YES		96.5	3.26%
62	DE	Office / Retail	Planned refurbishment & Financing	LEED Platinum	NO	1988 (2018)	29.6	1.00%
63	DE	Office / Retail	Same building as no. 62	LEED Platinum	NO		7.8	0.26%
64	DE	Office / Retail	Same building as no. 62	LEED Platinum	NO		2.6	0.09%
65	FR	Office / Retail	Financing	Breem Good	NO	1974 (2010)	87.8	2.97%
66	FR	Office / Retail	Financing	HQE Basic Level	NO	1890 (2010)	41.0	1.39%
67	FR	Retail	Financing	HQE High Level	NO	2013	100.0	3.38%
68	FR	Office / Retail	Financing	HQE High Level	NO	1960 (2010)	66.0	2.23%
69	FR	Office / Retail	Same building as no. 68	HQE High Level	NO		4.9	0.17%
70	FR	Office / Retail	Financing		YES	1929 (2015)	70.0	2.37%
71	GB	Office / Retail	Financing	Breem Very Good	YES	2006	75.6	2.56%
72	GB	Office / Retail	Financing	Breem Very Good	NO	2009	64.5	2.18%
73	NL	Office / Retail	Financing	Breem Excellent	YES	2011	7.8	0.26%
74	NL	Office / Retail	Financing	Breem Very Good	NO	2013	37.8	1.28%
75	NL	Office / Retail	Financing		YES	2013	11.0	0.37%
76	NL	Office / Retail	Refurbishment & Financing	DGNB Gold	NO	1994 (2016)	60.0	2.03%
77	NL	Office / Retail	Financing		YES	2009	120.0	4.06%
78	NL	Office / Retail	Financing		YES	1960 (2012)	33.3	1.12%
79	NL	Office / Retail	Development & Financing	Breem Excellent	NO	2017	48.0	1.62%
80	NL	Office / Retail	Financing		YES	2003	10.6	0.36%
81	NL	Office / Retail	Financing		YES	1976	10.3	0.35%
82	NL	Management Building	Financing		YES	2014	30.0	1.01%
83	PL	Retail	Financing	Breem Excellent	NO	2002 (2005)	100.0	3.38%

84	PL	Office / Retail	Financing	Breeam Excellent	YES	2008	21.6	0.73%
85	PL	Office / Retail	Financing		YES	2006	15.1	0.51%
86	PL	Office / Retail	Financing		YES	2008	31.9	1.08%
87	PL	Office / Retail	Financing		YES	2009	31.1	1.05%
88	PL	Office / Retail	Development & Financing	Breeam Very Good	NO	2013	7.3	0.25%
89	PL	Office / Retail	Development & Financing	Breeam Very Good	NO	2014	6.8	0.23%
90	PL	Office / Retail	Same building as no. 88	Breeam Very Good	NO		1.6	0.05%
91	PL	Office / Retail	Same building as no. 89	Breeam Very Good	NO		1.5	0.05%
92	PL	Office / Retail	Same building as no. 88	Breeam Very Good	NO		1.7	0.06%
93	PL	Office / Retail	Same building as no. 89	Breeam Very Good	NO		1.6	0.05%
94	PL	Office / Retail	Same building as no. 88	Breeam Very Good	NO		2.1	0.07%
95	PL	Office / Retail	Same building as no. 89	Breeam Very Good	NO		2.0	0.07%
96	PL	Office / Retail	Same building as no. 89	Breeam Very Good	NO		0.2	0.01%
97	PL	Office / Retail	Same building as no. 88	Breeam Very Good	NO		0.2	0.01%
98	PL	Office / Retail	Financing		YES	2010	30.1	1.02%
99	PL	Office / Retail	Financing	Breeam Very Good	NO	2014	45.8	1.55%
100	PL	Office / Retail	Financing		YES	2014	23.3	0.79%
101	PL	Retail	Development & Financing	Breeam Excellent	NO	2016	24.0	0.81%
102	PL	Retail	Same building as no. 101	Breeam Excellent	NO		7.3	0.25%
103	PL	Retail	Same building as no. 101	Breeam Excellent	NO		7.3	0.25%
104	PL	Retail	Same building as no. 101	Breeam Excellent	NO		56.0	1.89%
105	PL	Office / Retail	Financing	Breeam Very Good	YES	2009	0.1	0.00%
106	PL	Office / Retail	Same building as no. 105	Breeam Very Good	YES	2014	1.5	0.05%
107	PL	Office / Retail	Same building as no. 105	Breeam Very Good	YES		2.4	0.08%
108	PL	Office / Retail	Same building as no. 105	Breeam Very Good	YES		29.7	1.01%
109	PL	Office / Retail	Financing	Breeam Very Good	YES	1999	43.9	1.48%
110	PL	Office / Retail	Financing	Breeam Excellent	YES	2016	75.6	2.56%
111	PL	Office / Retail	Same building as no. 110	Breeam Excellent	YES		21.2	0.72%
112	PL	Retail	Financing		YES	2002	65.8	2.23%
113	PL	Retail	Same building as no. 112		YES		20.0	0.68%
114	CZ	Office / Retail	Financing		YES	2002	23.2	0.78%
115	CZ	Office / Retail	Financing	Breeam Excellent	YES	2016	50.0	1.69%

116	CZ	Office / Retail	Financing		YES	2004	9.4	0.32%
117	CZ	Office / Retail	Financing		YES	2004	30.9	1.04%
118	CZ	Office / Retail	Financing		YES	2005	9.4	0.32%
119	CZ	Office / Retail	Financing		YES	2007	4.4	0.15%
120	CZ	Office / Retail	Financing		YES	2005	14.3	0.48%
121	CZ	Office / Retail	Financing		YES	2003	14.2	0.48%
122	CZ	Retail	Financing		YES	2010	40.7	1.38%
123	CZ	Office / Retail	Financing	Breeam Very Good	YES	1996	34.8	1.17%
124	CZ	Office / Retail	Same building as no. 123	Breeam Very Good	YES		34.8	1.17%
TOTAL							2958.2	100%

oekom Corporate Rating

Berlin Hyp AG

Industry **Financials/Mortgage & Public Sector**
Finance

Status **Prime**

Corporate Responsibility **Prime**

Country **Germany**

Rating **B-**

rated by **oekom research**

ISIN **DE000A1EWN89**

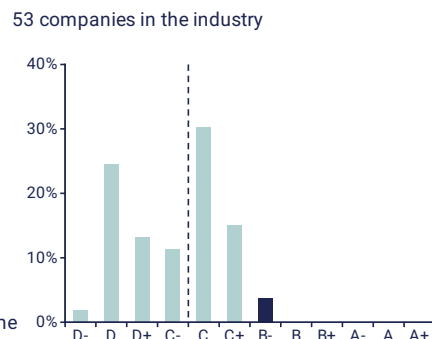
Prime Threshold **C**



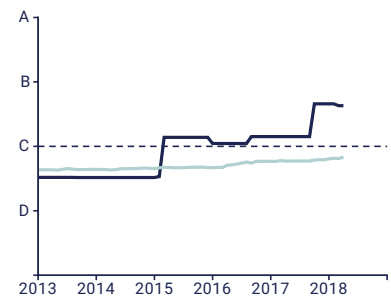
Industry Leaders

Company name (in alphabetical order)	Country	Grade
Berlin Hyp AG	DE	B-
Münchener Hypothekenbank eG	DE	C+
de Volksbank N.V.	NL	B-

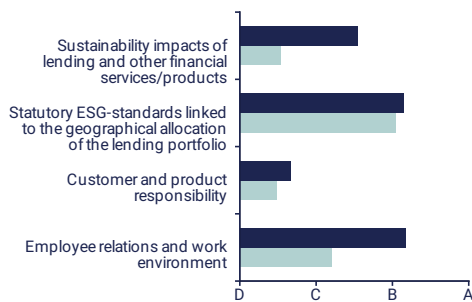
Distribution of Ratings



Rating History



Key Issue Performance

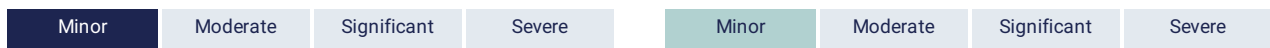


Strengths and Weaknesses

- + almost entire loan portfolio in countries with fairly good environmental and social minimum standards
- + sound integration of environmental and social aspects into the lending business
- + integration of environmental and social aspects into the company's own investment portfolio
- + strategy shift towards a more environmentally beneficial product portfolio
- + various options to facilitate the work-life balance of employees
- no comprehensive measures regarding responsible treatment of customers with debt repayment problems

Controversy Monitor

Company		Industry	
Controversy Score	-2	Maximum Controversy Score	-2
Controversy Level	Minor	Controversy Risk	Minor



Disclaimer

- oekom research AG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide.
- We would, however, point out that we do not warrant that the information presented in this Rating Report is complete, accurate or up to date. Any liability on the part of oekom research AG in connection with the use of these pages, the information provided in them and the use thereof shall be excluded.
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Please note that all data in this report relates to the point in time at which the report was generated.
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Berlin Hyp AG

Methodology - Overview

oekom Corporate Rating - The oekom Universe comprises more than 3,800 companies (mostly companies in important national and international indices, but also small and mid caps drawn from sectors with direct links to sustainability as well as significant non-listed bond issuers).

The assessment of a company's social and environmental performance is based on approximately 100 environmental, social and governance criteria, selected specifically for each industry. All criteria are individually weighted and evaluated and the results are aggregated to yield an overall score (rating), in which the key issues account for at least 50 per cent of the total weight. In case there is no relevant or up-to-date company information available on a certain criterion and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the criterion is graded with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company itself as well as information from independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

An external rating committee assists the analysts at oekom research with the content-related design of industry-specific criteria and carries out a final plausibility check of the rating results at the end of the rating process.

Controversy Monitor - The oekom Controversy Monitor is a tool for assessing and managing reputational and financial risks associated with companies' negative environmental and social impacts.

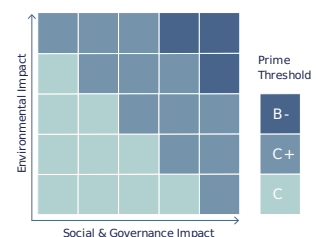
The controversy score is a unit of measurement for the number and severity of a company's current controversies. All controversial business areas and business practices receive a negative score, which can vary depending on the significance, number and severity of the controversies. Both the company's score and the maximum score obtained in the industry are displayed.

For better classification, the scores are assigned different levels: minor, moderate, significant and severe. The industry level relates to the average controversy score.

Only controversies for which reliable information from trustworthy sources is available are recorded. In addition to proven misconduct and activities of companies, alleged misconduct and activities are also assessed when the facts and circumstantial evidence provided by those sources, taking into account the experience of specialised analysts for each topic, is estimated to be sufficiently reliable. It should be noted that large international companies are more often the focus of public and media attention. Thus, the information available on those companies is often more comprehensive than for less prominent companies.

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the oekom Universe (company portrayed in this report: dark blue).

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analysed is classified in a Sustainability Matrix. Depending on this classification, the two dimensions of the oekom Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the oekom Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the oekom Universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Status & Prime Threshold - Companies are categorised as Prime if they achieve/exceed the minimum sustainability performance requirements (Prime threshold) defined by oekom for a specific industry (absolute best-in-class approach) in the oekom Corporate Rating. Prime companies rank among the sustainability leaders in that industry.

Strengths & Weaknesses - Overview of selected strengths and weaknesses of a company with regard to the key issues of the industry from a sustainability point of view.